CITY OF VANCOUVER

BRITISH COLUMBIA

ANNUAL FINANCIAL REPORT

2014

TABLE OF CONTENTS

Mayor and Council 1

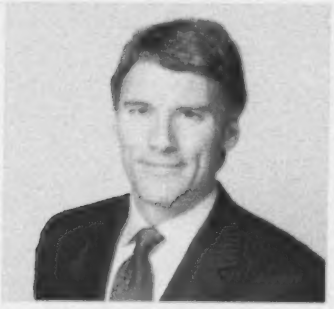
Officials 2

Boards 3

Financial Statements

- Report of the Director of Finance 4
- Auditors' Report 9
- Consolidated Statement of Financial Position 10
- Consolidated Statement of Operations 11
- Consolidated Statement of Change in Net Financial Liabilities 12
- Consolidated Statement of Cash Flows 13
- Notes to Consolidated Financial Statements 14
- Supplementary Financial Information 29

VANCOUVER CITY COUNCIL
2014 - 2018



Mayor Gregor Robertson

VANCOUVER'S CITY COUNCILLORS

George Affleck

Elizabeth Ball

Adriane Carr

Melissa De Genova

Heather Deal

Kerry Jang

Raymond Louie

Geoff Meggs

Andrea Reimer

Tim Stevenson

Corporate Management Team

City Manager	P. Ballem, MD, FRCP
Deputy City Manager	S A. Johnston, LEED AP
Chief Constable	J. Chu, B.B.A, M.B.A.
Director of Legal Services	F. Connell, LL.B.
City Librarian	S. Singh, B.A., MLIS
Chief Housing Officer	M. Latif, M.B.A., MRICS
General Manager of Community Services	B. Prosken, BSW, MPA
Director of Corporate Communications	R. Kendall-Craden
General Manager of Engineering Services	P. Judd, P. Eng.
General Manager of Fire and Rescue Services	J. McKearney, M.A.
General Manager of Financial Services Group and CFO	P. Impey, B. Sc., M.B.A.
General Manager of Human Resource Services	P. Mochrie, BCom, M.B.A.
General Manager of Parks and Recreation	M. Bromley, Dip Rec.
General Manager of Planning and Development Services	B. Jackson, MCIP
General Manager of Real Estate and Facilities Management	B. Aujla, B.A.Sc., M.B.A., LL.B.

Financial Services

General Manager of Financial Services Group and CFO	P. Impey, B. Sc., M.B.A.
Director of Financial Services	E. Lee, B. Comm., CPA, CA
Associate Director of Financial Services	G. Krueger, B. Comm., CPA, CA

City Clerk J. MacKenzie, MPA, B. Comm.

Vancouver Public Library Board

M.L. Baum – Chair
J. Chan – Vice-Chair
J. Schaub – Vice-Chair
A. Wong – School Board Trustee
C. Evans – Park Board Commissioner
Councillor T. Stevenson – City Council Representative

A. Card
G. Chow
K. Epstein
N. Girn
G. Ross
J. Schaub
J. Swift

Vancouver Police Board

Mayor G. Robertson – Chair
M. Collins – Vice-Chair

C. Askew
M. James
S. Magee
C. Marshall
D. Sidhu
T. Tam
P. Wong

Board of Parks and Recreation

J. Coupar – Chair
S. Kirby-Yung – Vice-Chair

C. Crawford
C. Evans
S. Mackinnon
E. Shum
M. Wiebe

Vancouver Civic Theatres Board

R. Haynes – Chair
K. Sutherland – Vice-Chair
Councillor E. Ball – Council Liaison

S. Adams
R. Haynes
S. Kim
M. Noon
W. Soobis
K. Sutherland
K. Wilson

April 7, 2015

Mayor G. Robertson and Members of Council

It is our pleasure to submit the Consolidated Financial Statements for the City of Vancouver for the year ended December 31, 2014. These financial statements include the financial position and results of operations of the City including its boards and City controlled corporations. The preparation of the Consolidated Financial Statements is the responsibility of management and they have been prepared in accordance with Canadian Generally Accepted Accounting Principles as prescribed by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada.

To assist in meeting its responsibility, management maintains accounting, budget and other internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, and that assets are properly accounted for and safeguarded.

The City's financial statements consist of:

- Consolidated Statement of Financial Position – summary of financial and non-financial assets, liabilities and accumulated surplus at yearend.
- Consolidated Statement of Operations – summary of revenues, expenses and annual surplus for the year.
- Consolidated Statement of Change in Net Financial Liabilities – summary of changes in financial assets and liabilities.
- Consolidated Statement of Cash Flow – summary of the sources and uses of cash in the year.

The Consolidated Financial Statements have been audited by the independent firm of KPMG LLP and their report precedes the financial statements.

Consolidated Financial Position

($Millions)	2014	2013 (Recast - Note 2)	Change
Financial assets	$ 1,742.2	$ 1,646.1	$ 96.1
Liabilities	1,806.0	1,844.8	(38.8)
Net financial liabilities	(63.8)	(198.7)	134.9
Non-financial assets	6,393.9	6,313.9	80.0
Accumulated surplus	$ 6,330.1	$ 6,115.2	$ 214.9

The City's overall financial position improved by $214.9 million in 2014 with accumulated surplus totaling $6.330 billion (2013 - $6.115 billion).

Net financial liabilities, calculated as Financial assets less Liabilities is an indicator of the amount of future revenues required to pay for past transactions and events. The City's Net financial liabilities improved by $134.9 million to a total of $63.8 million mainly due to the City's annual consolidated surplus (revenues exceeding expenses) of $214.9 million offset by net capital acquisitions.

The City's non-financial assets increased in 2014 by $80.0 million, bringing the total to $6.394 billion. The increase is the net result of capital additions of physical assets in the year offset by disposals and amortization expense.

Consolidated Results of Operations

($Millions)	2014 Budget	2014	2013 (Recast - Note 2)
Revenues	$ 1,393.6	$ 1,562.1	$ 1,485.1
Expenses	1,316.1	1,347.2	1,303.2
Annual surplus	$ 77.5	$ 214.9	$ 181.9

Year over Year Change

Consolidated revenues of $1.562 billion increased by $77.0 million over 2013 mainly due to:

- an increase of $15.6 million in property taxes
- an increase of $15.1 million in cost recoveries for major capital projects and Multi-Material BC recoveries
- an increase of $42.0 million due to higher developer contributions
- an increase in gain on sale of other assets of $19.8 million due to the sale of 2 properties partially offset by losses on disposal of infrastructure before the end of their estimated useful lives
- a decrease in gain on sale of assets of $32.6 million related to Southeast False Creek development with sales of the remaining condominium units.

Consolidated expenses of $1.347 billion increased by $44.0 million over 2013 mainly due to:

- an increase of $25.8 million in contractual wage and other fringe adjustments
- an increase of $9.3 million in utility expenditures primarily due to higher Metro sewer and water rates and higher consumption volumes.

The City's consolidated revenues exceeded expenses resulting in an annual surplus of $214.9 million (2013 - $181.9 million).

Budget Variance

As disclosed in Note 13 to the consolidated financial statements, funding based budgets were adjusted for capital expenditures and amortization to align to the PSAB standard for financial reporting.

Consolidated revenues of $1.562 billion were greater than budgeted revenues by $168.5 million mainly due to:

- items not included in the budget due to uncertainty in timing or specific nature, including:
  - $44.2 million of developer contributed assets
  - $55.3 million of developer contributions
  - $17.3 million loss on disposal of infrastructure assets before the end of their estimated useful lives
  - $16.6 million gain on sale of assets related to Southeast False Creek development
- $30.1 million in higher than budgeted cost recoveries primarily for capital projects as well as departmental recoveries including VPD secondments to other organizations
- $14.1 million higher than budgeted license and development fees from increased trade and permit and development applications
- $11.7 million higher than budgeted rental, lease and other income including engineering street cut and street use fees.

Consolidated expenses of $1.347 billion were greater than budgeted expenses by $31.1 million. The main variances included:

- $13.7 million of holding expenses related to the Southeast False Creek development were not budgeted
- $9.1 million higher than budgeted costs in Engineering and VPD related to recoverable work which are offset by higher than budgeted cost recoveries
- Lower than budgeted general government expenses due to unspent contingency, allowances for reserves and programs such as the Innovation Fund where the remaining budget is transferred to reserves or carried into 2015.

The City's annual consolidated surplus of $214.9 million exceeded the budgeted annual surplus of $77.5 million by $137.4 million prior to transfers to reserves.

Revenue Fund

The Revenue Fund accounts for the general operations of the City. Revenues for the year totaled $1.227 billion and expenditures totaled $1.042 billion resulting in net revenue of $185.4 million. After debt charges and transfers to reserves and other funds, the net change in the Revenue fund balance was $1.7 million. The total fund balance of the Revenue Fund currently stands at $24.3 million, compared to $22.7 million in 2013.

Tangible Capital Assets

The City's consolidated tangible capital assets are held in several funds or entities:

- Capital Fund holds $5.284 billion of tangible capital assets required for civic use and the related long term debt.
- Property Endowment Fund (PEF) holds $1.067 billion of properties including non-market housing sites, other residential and commercial properties and parking garages. A number of these properties are managed on a commercial basis generating income to benefit current and future citizens.
- Other consolidated and controlled entities hold $23.0 million of assets.

Consolidated capital additions totalled $275.7 million in 2014 and are comprised of the following:

($Millions)	
Land and improvements	$ 60.6
Buildings and leasehold improvements	40.9
Vehicles and other equipment	25.9
Computer systems	9.8
Infrastructure	
Streets and structures	74.0
Water system	22.4
Sewer system	42.1
	$ 275.7

The additions include developer contributions of $39.9 million for road and land and $8.1 million for park and community centre expansion. Building additions include $8.7 million for the Hastings Community Centre. Streets additions include $32.1 million for the Powell St. overpass.

Long Term Debt

In October 2014, the City issued a 10 year $105.0 million sinking fund debenture at a rate of 3.05%. During the year, the City made serial debt repayments of $25.7 million and at yearend the total outstanding debt was $868.4 million (2013 - $789.1 million). At the end of 2014, the City has sinking fund debt reserves of $246.3 million for future repayments.

($Millions)	2014	2013	Change
Long term debt	$ 868.4	$ 789.1	$ 79.3
Less: Sinking fund reserves	(246.3)	(178.0)	(68.3)
Net long term debt	$ 622.1	$ 611.1	$ 11.0

As part of the 2012-2014 Capital Plan, the City had approved borrowing of up to $322.7 million; $179.8 million for the maintenance and replacement of existing and construction of new streets, parks and facilities infrastructure and $142.9 million for sewer, water, and neighborhood energy capital expenditures. Through the 2012-2014 capital budget processes, Council has established borrowing authorities for $287.8 million. Overall outstanding borrowing authority at the end of 2014 was $107.0 million.

In November 2014, the City received electorate approval for borrowing up to $382.0 million for the 2015-2018 Capital Plan.

Reserves

Under legislative or Council authority, the City has established a number of specific purpose reserves in addition to the sinking fund debt repayment reserve. At the end of 2014, these reserves totalled $760.8 million, up $80.7 million over 2013. The most significant reserve balances and changes were:

- Community Amenity contributions from developers totaled $67.5 million of which $19.0 million were directed by Council to the Affordable Housing Reserve, Community Amenity Maintenance Reserve and Childcare Endowment Reserve. Expenditures of $9.1 million for capital projects brought the yearend Community Amenities Reserve balance to $167.6 million. The Affordable Housing Reserves increased $11.6 million to $29.6 million.
- The Parking Sites Reserve holds the net parking revenues from the City's parkades and parking lots, managed and operated by the Parking Corporation of Vancouver (EasyPark). Net parking revenues of $6.3 million was offset by capital expenditures of $2.9 million and property acquisition of $5.1 million resulting in a decrease of $1.7 million bringing the balance of reserve to $52.2 million.
- The Plant and Equipment Reserve which funds the long term equipment replacement plan increased by $4.0 million to $84.3 million. The reserve is primarily funded by internal equipment charges provided in the Operating and Capital Budgets and in 2014 this amounted to $20.2 million. Actual expenditures in 2014 were $16.2 million.
- The Solid Waste Capital Reserve is being accumulated to fund closure and post-closure costs at the City's landfill. The present liability is calculated based on the ratio of utilization to the total capacity of the landfill site and the discounted value of future estimated cash flows associated with closure and post-closure activities. At year end, the liability amounted to $65.0 million, with the remaining capacity of 5.3 million tonnes (22.5% of total capacity) to be utilized by 2036. During the year the reserve increased by $3.1 million to $71.9 million as a result of operating surplus and interest of $8.8 million offset by capital and closure expenditures of $5.7 million.
- Capital Facilities and Infrastructure Reserves hold funds for future streets and transit infrastructure and building projects. The reserve balance of $43.8 million increased by $23.2 million mainly due to $18.0 transfer from operating surplus and $3.6 million from unexpended street capital funding.
- Funding of $4.9 million was transferred into the Deferred Payroll Obligations Reserve bringing the balance to $55.0 million against the actuarial liability of $85.1 million.
- The Future Revenue Fund Budget Reserve provides funding for operating and specific purpose expenditures (elections, wage settlement provisions), contingencies for unforeseen events. The balance of $56.5 million includes $26.0 million for Revenue Fund stabilization.
- Funding debt charges and a $5.3 million sinking fund deficit resulted in a $7.0 million transfer from the Future Debt Repayment Reserve bringing the balance of the reserve to $41.1 million.

Southeast False Creek Olympic Village Development

In April 2014, the City sold its remaining interest in the Southeast False Creek Market Project (comprised of market condominiums, rental housing and commercial space buildings) and rights as secured creditor under the Amended Loan Agreement. With the net proceeds from the sales of the remaining 91 condominiums in 2014 and prior year sales, the City repaid the $150.0 debenture which matured in June 2014. To date, the City has recovered from the project a total of approximately $960.0 million and repaid financing (including mortgages and interest) of $785.0 million leaving $175.0 million to cover expenses of $110.0 million. The net surplus of approximately $65.0 million funds the development costs of the Olympic Village site and amenities.

One property is remaining from the 32 properties transferred in 2011 under the settlement agreement with the guarantors of the loan, and $5.3 million is reflected in the City's financial statements at yearend.

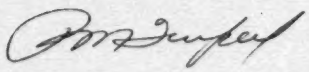
REPORT OF THE DIRECTOR OF FINANCE

Summary

The City's 2014 financial position remains strong and is reflected in the credit agency ratings which continue to be among the best municipal ratings in Canada. The recent upgrades to Aaa stable by Moody's and AA+ stable by Standard and Poor's reflects the City's exceptional liquidity, very strong economy, low debt burden and very strong budgetary performance. Strong credit ratings allow the City to borrow at more favourable interest rates.

New standards for the liability of contaminated sites will be effective for the 2015 fiscal year. The City will be preparing for these changes and continuing to implement improvements to financial management and reporting.

Respectfully submitted,



Patrice Impey, B.Sc. MBA
General Manager of Financial Services /CFO
Director of Finance

Esther Lee, CPA, CA
Director of Financial Services
Deputy Director of Finance

INDEPENDENT AUDITORS' REPORT

To the Mayor and Councilors of the City of Vancouver

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the City of Vancouver, which comprise the consolidated statement of financial position as at December 31, 2014, the consolidated statement of operations, consolidated statement of changes in net debt and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the City of Vancouver as at December 31, 2014, and its consolidated results of operations, its consolidated net debt and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Report on other Legal and Regulatory Requirements

As required by the Vancouver Charter, we report that, in our opinion, these principles have been applied on a basis consistent with the prior year.

KPMG LLP

Chartered Accountants

April 1, 2015

Burnaby, Canada

CITY OF VANCOUVER
Consolidated Statement of Financial Position
As at December 31
($000s)

	2014	2013 (Recast - Note 2)
FINANCIAL ASSETS		
Cash and cash equivalents (Note 3)	$ 150,671	$ 79,216
Temporary investments (Note 3)	1,438,601	1,298,667
Accounts receivables (Note 4)	119,919	125,916
Southeast False Creek development (Note 10(i))	5,337	110,844
Long term lease agreement receivable (Note 10(f)(i))	27,679	31,466
	1,742,207	1,646,109
LIABILITIES		
Accounts payable and accrued liabilities (Note 5)	313,296	314,230
Deferred payroll, landfill and interest liabilities (Note 9)	154,381	151,062
Mortgage and loan agreements (Note 10(f)(ii))	47,084	49,248
Southeast False Creek Financing (Note 6(a))	-	150,000
Long term debt (Note 6(b))	868,357	789,085
Deferred revenue (Note 11)	422,919	391,253
	1,806,037	1,844,878
NET FINANCIAL LIABILITIES	(63,830)	(198,769)
NON-FINANCIAL ASSETS		
Inventory and prepaids	19,983	18,138
Tangible capital assets (Note 7)	6,373,932	6,295,802
	6,393,915	6,313,940
ACCUMULATED SURPLUS (Note 8)	$ 6,330,085	$ 6,115,171

Contingencies and commitments (Note 10)
See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Operations
Years ended December 31
($000s)

	2014 Budget (Note 13)	2014	2013 (Recast - Note 2)
REVENUES			
Property taxes, penalties and interest (Note 10(b))	$ 663,916	$ 671,543	$ 655,977
Utility fees	222,244	221,605	217,434
Program fees	101,369	104,356	100,225
License and development fees	50,993	65,090	59,899
Parking	69,204	77,522	72,578
Cost recoveries, grants and donations	94,033	124,149	109,054
Revenue sharing	21,652	17,924	17,831
Investment income	21,333	27,892	23,199
Rental, lease and other	58,788	70,518	76,140
Bylaw fines	18,639	15,832	16,389
Developer contributions	37,749	137,372	95,350
Gain (loss) on sale of tangible capital assets	33,700	11,691	(8,143)
Gain on sale of Southeast False Creek assets	-	16,610	49,168
	1,393,620	1,562,104	1,485,101
EXPENSES			
Utilities	235,533	244,853	241,232
General government	186,730	173,732	158,276
Police protection	257,403	263,537	254,130
Fire protection	104,111	108,089	102,833
Engineering	174,035	183,258	175,427
Planning and development	22,011	25,583	19,672
Parks and recreation	183,423	180,246	178,373
Community and cultural services	100,243	105,318	98,110
Library	52,605	48,865	47,884
Southeast False Creek Development	-	13,709	27,279
	1,316,094	1,347,190	1,303,216
ANNUAL SURPLUS	77,526	214,914	181,885
ACCUMULATED SURPLUS (Note 8)			
Beginning of year (Recast - Note 2)	6,115,171	6,115,171	5,933,286
Ending Balance	$ 6,192,697	$ 6,330,085	$ 6,115,171

See accompanying Notes to Consolidated Financial Statements

CITY OF VANCOUVER
Consolidated Statement of Change in Net Financial Liabilities
Years ended December 31
($000s)

	2014 Budget (Note 13)	2014	2013 (Recast - Note 2)
Annual Surplus	$ 77,526	$ 214,914	$ 181,885
Acquisition of tangible capital assets	(243,945)	(231,431)	(256,863)
Contributed tangible capital assets	-	(44,248)	(43,876)
Amortization of tangible capital assets	173,714	174,266	171,172
(Gain) loss on sale of tangible capital assets	(33,700)	(11,691)	8,143
Proceeds on sale of tangible capital assets	-	34,974	5,600
	(103,931)	(78,130)	(115,824)
Change in inventory and prepaids	-	(1,845)	(293)
CHANGE IN NET FINANCIAL LIABILITIES	(26,405)	134,939	65,768
NET FINANCIAL LIABILITIES			
Beginning of year	(198,769)	(198,769)	(264,537)
End of year	$ (225,174)	$ (63,830)	$ (198,769)

See accompanying Notes to Consolidated Financial Statements.

CITY OF VANCOUVER
Consolidated Statement of Cash Flows
Years ended December 31
($000s)

	2014	2013 (Recast - Note 2)
CASH PROVIDED BY (USED IN):		
Operating Transactions		
Annual surplus	$ 214,914	$ 181,885
Items not involving cash		
Amortization	174,266	171,172
Contributed tangible capital assets	(44,248)	(43,876)
Gain on sale of Southeast False Creek assets	(16,610)	(49,168)
(Gain) loss on sale of tangible capital assets	(11,691)	8,143
Recognition of deferred revenue	(39,425)	(29,946)
Change in non-cash items		
Other financial assets and liabilities	8,850	9,954
Change in obligations to be funded from future revenues	3,319	(2,258)
Decrease in inventory and prepaids	(1,845)	(293)
	287,530	245,613
Financing Transactions		
Debt issued	105,000	110,000
Debt repayments	(27,892)	(24,057)
Deferred revenue receipts	71,091	88,461
Southeast False Creek credit facility program	(150,000)	(161,875)
	(1,801)	12,529
Capital Transactions		
Acquisition of tangible capital assets	(231,431)	(256,863)
Proceeds of sale of tangible capital assets	34,974	5,600
	(196,457)	(251,263)
Investing Transactions		
Southeast False Creek proceeds	122,117	248,477
Net purchase of temporary investments	(139,934)	(290,084)
	(17,817)	(41,607)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	71,455	(34,728)
CASH AND CASH EQUIVALENTS		
Beginning of year	79,216	113,944
End of year	$ 150,671	$ 79,216

See accompanying Notes to Consolidated Financial Statements.

The City of Vancouver (the "City") was incorporated in 1886 and is governed by the Vancouver Charter, a private bill consented to by the Legislative Assembly of the Province of British Columbia.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

The consolidated financial statements of the City have been prepared in accordance with Canadian public sector accounting standards.

(b) Reporting Entity

The consolidated financial statements reflect the assets, liabilities, revenue and expenses of the reporting entity. The reporting entity is comprised of all the organizations controlled by the City. Inter-fund and inter-corporate balances and transactions have been eliminated. The entities included are as follows:

Hastings Institute Inc.	Vancouver Civic Development Corporation
Harbour Park Development Ltd.	City of Vancouver Public Housing Corporation
Parking Corporation of Vancouver	Pacific National Exhibition
Vancouver Economic Commission	Vancouver Affordable Housing Agency

The resources and operations of the City are accounted for in the following funds:

- Capital - Accounts for capital expenditures supporting civic infrastructure and holds all properties required for civic use and the related long term debt.
- Revenue - Accounts for revenue and expenditures for the general operations of the City including sewer, solid waste, and water and neighbourhood energy utilities.
- Property Endowment – Accounts for parkades and properties which are leased to third parties, being developed or held for resale or lease.
- Sinking - Accounts for the accumulation of instalments generated from tax levies in accordance with the actuarial requirements for the retirement of sinking fund debt at maturity.
- Capital Financing - Accounts for funds designated for the financing of capital works, for the acquisition of the City's debentures and for funds set aside for the City's solid waste disposal program.

Also included in these statements are certain assets owned by the City that are managed by the following organizations:

Vancouver Art Gallery Society	H.R. MacMillan Space Centre
Vancouver Museum	Vancouver Maritime Museum

(c) Basis of Accounting

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and/or the creation of a legal obligation to pay.

(d) Deferred Revenue

Deferred revenue consists of the following:

(i) Development cost levies:

The City collects development cost levies in accordance with Council approved by-laws to finance growth-related projects. These amounts will be recognized as revenues in the year in which the expenditures are incurred.

(ii) Prepaid leases

The City has land leases with terms ranging from 40 to 99 years, some of which have been prepaid. These amounts are recognized in revenue on a straight-line basis over the lease term.

1. SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Cash and Temporary Investments

Cash includes short-term investments with maturity dates within 90 days of acquisition. Temporary investments are comprised of money market instruments, term deposits, banker acceptances and federal and provincial bonds with maturity dates greater than 90 days after acquisition. Investments are recorded at cost, adjusted for amortization of premiums or discounts.

(f) Non-financial Assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value of the capital asset is amortized on a straight-line basis over their estimated useful lives as follows:

	Years
Landfill and land improvements	15 to 60
Buildings and building improvements	25 to 50
Leasehold improvements	5 to 20
Vehicles, equipment and furniture	3 to 20
Computer systems	5
Library Collection	10
Infrastructure	
Streets, sidewalks, bridges	25 to 80
Water system	20 to 100
Sewer system	40 to 100

Annual amortization is charged commencing when the asset is acquired or available for use. Assets under construction are not amortized until the asset is available for productive use. The City does not capitalize interest associated with the acquisition or construction of a capital asset.

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also recorded as revenue.

Works of art, artifacts, cultural and historic assets are not recorded as assets in the financial statements.

(ii) Inventories and prepaid expenses

Inventories and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost.

(g) Pension Plan and Deferred Payroll Liabilities

The City and its employees participate in a Municipal Pension Plan. The Municipal Pension Plan is a multi-employer contributory defined benefit pension plan. Payments in the year are expensed.

Employees are entitled to earned benefits related to non-vested accumulating sick leave, sick leave gratuity and full vacation entitlement at retirement. Employees may also defer current vacation entitlements. The cost of post-employment benefits is actuarially determined based on service provided, a best estimate of retirement ages and expected future salary and wage increases. The liability under these benefit plans is accrued based on projected benefits as the employees render service necessary to earn the future benefits.

Certain employees are entitled to income continuation benefits under long term disability plans. The City recognizes a liability and expense for these post-employment benefits in the period when the event occurs that obligates the City to provide the benefit.

1. SIGNIFICANT ACCOUNTING POLICIES – Continued

(h) Landfill Closure and Post Closure Costs

The Ministry of Environment establishes certain requirements in order for the City to obtain an Operating Certificate for its landfill site. Those obligations include closure and post-closure activities. The present value of the City's estimated future liability for these expenditures is recognized as the landfill site's capacity is used. This liability and annual expense is calculated based on the ratio of utilization to total capacity of the site.

(i) Use of Estimates

Preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period.

Significant estimates include assumptions used in estimating provisions for accrued liabilities, legal claims, landfill liability and in performing actuarial valuations of employee future benefits. The amounts recorded for tangible capital assets are based on management's estimates of historical cost, useful lives and valuation for contributed assets.

Actual results could differ from the estimates and adjustments, if any, will be reflected in the period of settlement or upon a change in the estimate.

(j) Comparative Figures

Certain comparative figures for the year ended December 31, 2013 have been reclassified to conform with the presentation adopted in the current year.

2. RECAST OF COMPARATIVE FIGURES

During the year, the City recorded immaterial adjustments to correct for prior year amounts of capital asset and related accumulated amortization. The City has adjusted prior year balances to reduce accounts payable and increase surplus for street cuts. Prior year amounts have also been adjusted to include the assets and liabilities and results of operations of certain controlled entities not previously included.

The effect of the recast has been applied retroactively and is summarized below:

	2014	2013
Accumulated surplus, January 1		
As previously reported	$ 6,133,242	$ 5,952,646
Net reduction of capital assets previously included	(25,243)	(24,774)
Adjustment of street cuts	4,884	3,684
Adjustment for consolidation of Controlled Entities	2,288	1,730
Recast	$ 6,115,171	$ 5,933,286
Net financial liabilities, January 1		
As previously reported	$ (205,719)	$ (269,534)
Adjustment of street cuts	4,884	3,684
Adjustment for consolidation of Controlled Entities	2,066	1,313
Recast	$ (198,769)	$ (264,537)
Annual surplus for 2013		
As previously reported		$ 180,596
Adjustment for capital assets		12
Recognition of street cuts revenue		630
Adjustment for consolidation of Controlled Entities		647
Recast		$ 181,885

3. CASH AND TEMPORARY INVESTMENTS

	2014	2013 (Recast - Note 2)
Cash and cash equivalents	$ 150,671	$ 79,216
Temporary investments	1,438,601	1,298,667
Total cash and temporary investments	$ 1,589,272	$ 1,377,883
Market value of total cash and investments	$ 1,686,909	$ 1,402,101

4. ACCOUNTS RECEIVABLES

	2014	2013 (Recast - Note 2)
Accrued interest	$ 10,251	$ 8,171
Employee advances	1,709	1,956
Local improvement receivables	5,822	6,904
Property taxes receivables	23,878	23,854
Rental and lease receivables	695	744
Trade and other receivables	52,549	52,977
Utility receivables	25,015	31,310
	$ 119,919	$ 125,916

5. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013 (Recast - Note 2)
Payroll liabilities	$ 82,119	$ 74,925
Property tax advance deposits and receipts	82,753	75,518
Other advance deposits and receipts	42,929	46,727
Trade and other liabilities	105,495	117,060
	$ 313,296	$ 314,230

6. LONG TERM DEBT AND SOUTHEAST FALSE CREEK FINANCING

(a) To provide the financing for the Southeast False Creek development (see note 10(i)), the City issued a $150.0 million, 5 year debenture (at 3.3%) which matured on June 5, 2014. Total interest paid in 2014 amounted to $2.5 million (2013 - $5.0 million).

(b) Debenture debt is recorded at its face amount.

Maturing In	Total	Internally Held	External
2015	15,531	1,079	14,452
2016	1,186	956	230
2017	126,239	1,005	125,234
2018	1,055	817	238
2019	125,894	651	125,243
Thereafter	605,081	2,121	602,960
Total	$ 874,986	$ 6,629	$ 868,357

Interest rates payable on the principal amount of the debentures range from 1.71% to 7.00% per annum. The weighted average interest rate on total debt to maturity is 4.03%. Total interest paid in 2014 on externally held debt amounted to $32.5 million (2013 - $29.4 million). Reserve for debt retirement at December 31, 2014 amounted to $246.3 million (2013 - $178.0 million).

7. TANGIBLE CAPITAL ASSETS

	Balance beginning of year	Additions net of transfers	Disposals	Balance end of year
Cost	(Recast - Note 2)			
Land	$ 1,817,144	$ 58,447	$ (3,939)	$ 1,871,652
Landfill and land improvements	266,711	2,157	-	268,868
Buildings and building improvements	1,380,147	38,385	(7,164)	1,411,368
Leasehold improvements	25,118	2,477	-	27,595
Vehicles, equipment and furniture	291,875	23,101	(12,456)	302,520
Computer systems	156,265	9,848	(83)	166,030
Books	43,960	2,825	(6,583)	40,202
Infrastructure				
Streets and structures	3,060,425	74,048	(4,358)	3,130,115
Water system	708,634	22,358	(7,144)	723,848
Sewer system	1,361,893	42,102	(3,410)	1,400,585
Assets under construction	45,569	(69)	-	45,500
Total Cost	9,157,741	275,679	(45,137)	9,388,283
Accumulated amortization				
Landfill and land improvements	133,893	9,519	-	143,412
Buildings and building improvements	355,127	31,471	(797)	385,801
Leasehold improvements	8,239	1,171	(4)	9,406
Vehicles, equipment and furniture	186,951	18,018	(9,635)	195,334
Computer systems	123,503	17,639	(83)	141,059
Books	29,151	2,744	(4,830)	27,065
Infrastructure				
Streets and structures	1,488,458	69,757	(984)	1,557,231
Water system	181,874	9,092	(3,527)	187,439
Sewer system	354,743	14,855	(1,994)	367,604
Accumulated amortization	2,861,939	174,266	(21,854)	3,014,351
Net book value				
Land *	1,817,144	58,447	(3,939)	1,871,652
Landfill and land improvements	132,818	(7,362)	-	125,456
Buildings and building improvements	1,025,020	6,914	(6,367)	1,025,567
Leasehold improvements	16,879	1,306	4	18,189
Vehicles, equipment and furniture	104,924	5,083	(2,821)	107,186
Computer systems	32,762	(7,791)	-	24,971
Books	14,809	81	(1,753)	13,137
Infrastructure				
Streets and structures	1,571,967	4,291	(3,374)	1,572,884
Water system	526,760	13,266	(3,617)	536,409
Sewer system	1,007,150	27,247	(1,416)	1,032,981
Assets under construction	45,569	(69)	-	45,500
Net Book Value	$ 6,295,802	$ 101,413	$ (23,283)	$ 6,373,932

*The Assessed Value of land is $13,718,611

Additions include contributed tangible capital assets totalling $44.2M - land $39.9M, buildings $2.8M, streets and structures $0.7M, sewer systems $0.6M, and water systems $0.2M.

Additions include transfers from assets under construction of $22.3M

8. ACCUMULATED SURPLUS

	2014	2013 (Recast - Note 2)
Investment in tangible capital assets	$ 5,496,094	$ 5,496,124
Reserve for Sinking Fund debt retirement - statutory	228,602	169,409
Reserve for Sinking Fund debt retirement - non-statutory	17,699	8,547
Reserve for Southeast False Creek debt retirement	-	79,400
Reserves	760,754	680,058
Fund balances	(18,683)	(167,305)
Obligations to be funded from future revenues (Note 9)	(154,381)	(151,062)
	$ 6,330,085	$ 6,115,171

The following reserve amounts are set aside for specific purposes:

	2013 (Recast - Note 2)	Transfer To	Transfer From	Change During Year	2014
Affordable Housing	$ 17,938	13,911	(2,288)	11,623	29,561
Art Gallery Operations	3,574	70	(70)	-	3,574
Capital Facilities and Infrastructure	20,592	24,478	(1,249)	23,229	43,821
Childcare Endowment	16,571	3,152	(727)	2,425	18,996
Community Amenities	128,275	48,512	(9,138)	39,374	167,649
Community Amenity Maintenance	8,457	2,938	(294)	2,644	11,101
Cultural Precinct	4,336	86	-	86	4,422
Emerging Neighbourhood	12,684	-	(2,684)	(2,684)	10,000
Deferred Payroll Obligation	50,074	4,900	-	4,900	54,974
Future Revenue Fund Budgets	56,135	8,729	(8,334)	395	56,530
Future Debt Repayment	48,067	-	(6,996)	(6,996)	41,071
Pedestrian and Cycling	3,144	-	(64)	(64)	3,080
Hastings Park	7,673	1,593	(342)	1,251	8,924
Library	5,170	719	(376)	343	5,513
Mortgage Debenture Retirement	5,547	50	(249)	(199)	5,348
Outstanding Commitments	16,036	8,429	(5,726)	2,703	18,739
Park Board	11,347	2,753	(893)	1,860	13,207
Parking Sites	53,932	6,277	(7,989)	(1,712)	52,220
Plant and Equipment	80,298	20,223	(16,202)	4,021	84,319
Public Art	7,855	1,255	(371)	884	8,739
Self-insurance	32,537	3,007	(3,818)	(811)	31,726
Solid Waste Capital	68,806	8,822	(5,718)	3,104	71,910
Utility Rate Stabilization	15,118	-	(5,610)	(5,610)	9,508
Other	5,892	591	(661)	(70)	5,822
	$ 680,058	$ 160,495	$ (79,799)	$ 80,696	$ 760,754

8. ACCUMULATED SURPLUS - Continued

Fund balances are comprised of:

	2013 (Recast - Note 2)	Change During Year	2014
Revenue Fund	$ 22,653	$ 1,651	$ 24,304
Capital Fund	(160,901)	14,927	(145,974)
Capital Financing Fund	254,295	10,295	264,590
Sinking Fund	-	-	-
Property Endowment Fund	(281,944)	123,088	(158,856)
Harbour Park Development Ltd.	7	-	7
Vancouver Civic Development Corp.	11,195	109	11,304
Hastings Institute Inc.	223	4	227
Pacific National Exhibition	(7,108)	(1,755)	(8,863)
City of Vancouver Public Housing Corporation	(231)	(166)	(397)
Vancouver Economic Commission	1,983	(436)	1,547
Parking Corporation of Vancouver	306	(249)	57
	(159,522)	147,468	(12,054)
Elimination for internally-held debt on consolidation	(7,783)	1,154	(6,629)
	$ (167,305)	$ 148,622	$ (18,683)

9. DEFERRED PAYROLL, LANDFILL AND INTEREST LIABILITIES

	2014	2013
Deferred payroll costs (a)	$ 85,064	$ 81,603
Landfill closure and post-closure costs (b)	65,011	65,529
Accrued interest on long term debt	4,306	3,930
	$ 154,381	$ 151,062

(a) Deferred Payroll Costs

The City's employee benefit liabilities as at December 31, 2014 is $85.1 million ($2013 - $81.6 million). An actuarial valuation was completed as at December 31, 2014 using the following valuation assumptions:

	2014	2013
Discount rate	4.03%	4.25%
Inflation rate	2.00%	2.00%
Rate of compensation increase	2.75% to 5.25%	2.75% to 5.25%

Employee benefit liabilities are as follows:

	2014	2013
Sick leave gratuity	$ 30,569	$ 29,961
Deferred vacation	10,230	10,003
Non-vested accumulating sick leave	5,128	5,112
Long term disability	15,810	17,986
Other post-employment benefits	14,160	14,395
	75,897	77,457
Unamortized actuarial gain	9,167	4,146
	$ 85,064	$ 81,603

9. DEFERRED PAYROLL, LANDFILL, AND INTEREST LIABILITIES - Continued

(a) Deferred Payroll Costs - Continued

The continuity of the City's employee benefit liabilities are as follows:

	2014	2013
Beginning of the year	$ 81,603	$ 77,896
Current service cost	10,964	10,749
Interest cost	3,554	3,313
Amortization of actuarial gain	(657)	(655)
Actual benefits paid	(10,400)	(9,700)
End of the year	$ 85,064	$ 81,603

The City has provided $55.0 million (2013 - $50.1 million) in a reserve for the funding for these liabilities.

(b) Landfill Closure and Post-Closure Costs

The landfill closure and post-closure liability as at December 31, 2014 is $65.0 million (2013 - $65.5 million) a decrease of $0.5 million.

The landfill liabilities reported are based on the following assumptions:

	2014	2013
Closure date	2036	2036
Years of post closure maintenance	30	50
Total capacity (million tonnes)	23.7	23.7
Future costs (million)	$210.7	$264.2
Present value of future costs (million)	$114.7	$118.0
Deposited to date (million tonnes)	18.2	17.8
Utilization of total capacity to date	77.5%	75.1%
City's share of liability	73.2%	73.9%
Discount rate	4.03%	4.25%
Inflation rate	2.00%	2.00%

In accordance with an agreement between the City and the Greater Vancouver Sewerage and Drainage District, the City is responsible for its share of the overall liability for closure and post-closure costs based on tonnage deposited by parties to the agreement.

10. CONTINGENCIES AND COMMITMENTS

(a) Contingent Liability and Commitment

The City is contingently liable in respect of debentures of the Greater Vancouver Water District, the Greater Vancouver Sewerage and Drainage District and the Greater Vancouver Regional District.

The City is a shareholder and member of Emergency Communications for British Columbia Incorporated (E-Comm), whose services include: regional 911 call centre for the Greater Vancouver Regional District, Wide Area Radio emergency communications network, dispatch operations and records management. The City holds 2 Class A shares and 1 Class B share (of a total 28 Class A and 23 Class B shared issued and outstanding at December 31, 2014). As a Class A shareholder, the City is committed to paying levies for services received under a cost-sharing formula to fund operating and capital costs of the E-Comm operations. In addition, the City is contingently liable to cover its proportionate share of such costs should any member be unable to fulfill its funding obligations. Annual levy amounts fluctuate based on various factors under the cost-sharing formula, and amounted to $18.6 million during the year (2013 - $18.6 million).

10. CONTINGENCIES AND COMMITMENTS - Continued

(b) Collection of Taxes on Behalf of Other Taxing Authorities

	2014	2013
Taxes collected by the City:		
Property and business taxes	$ 1,277,822	$ 1,245,434
Payment in lieu of taxes	32,957	33,590
Local improvement levies	1,585	1,825
	1,312,364	1,280,849
Less taxes remitted to:		
Province of British Columbia - School Taxes	489,743	477,858
Greater Vancouver Transportation Authority	116,946	113,142
B.C. Assessment Authority	18,233	17,714
Greater Vancouver Regional District	15,843	16,103
Municipal Finance Authority	56	55
	640,821	624,872
Net Taxes for Municipal Purposes	$ 671,543	$ 655,977

(c) Municipal Pension Plan

The City and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trusted pension plan. The board of trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan. Basic pension benefits provided are based on a formula. The Plan has about 182,000 active members and approximately 75,000 retired members. Active members include approximately 36,000 contributors from local governments.

The most recent actuarial valuation as at December 31, 2012 indicated a $1.37 billion funding deficit for basic pension benefits. The next valuation will be as at December 31, 2015 with results available in 2016. Employers participating in the Plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plan records accrued liabilities and accrued assets for the Plan in aggregate with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to the individual employers participating in the Plan.

The City of Vancouver paid $62.2 million (2013 - $57.6 million) for employer contributions while employees contributed $50.0 million (2013 - $46.6 million).

(d) Contingent Legal Liabilities

As at December 31, 2014, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has recorded a liability for certain uninsured claims, but has made no specific provision for those where the outcome is presently indeterminable. The City also has a reserve of $31.7 million (2013 - $32.5 million) for potential claims.

(e) Property Assessment Appeals

As at December 31, 2014, there were various assessment appeals pending with respect to properties. The outcome of those appeals may result in adjustments to property taxes receivable for the current and prior years. The City has recorded a liability for certain appeals and makes an annual provision against property taxes receivable for the impact of appeals.

10. CONTINGENCIES AND COMMITMENTS - Continued

(f) Long Term Lease, Mortgage and Loan Agreements

(i) The City has executed a 25-year lease of the Library Square office building to the Federal Government which commenced April 30, 1995. Annual lease payments of $6.7 million will fully offset mortgage principal and interest payments. The lease provides options for the Federal Government to purchase the office building at the end of the 10th and 20th years and at the end of the lease term. The balance of the lease receivable is $27.7 million (2013 - $31.5 million).

(ii) Principal payments on mortgages and loan agreements over the next 5 years and thereafter are as follows:

2015	$	4,373
2016		4,784
2017		5,235
2018		5,733
2019		6,275
Thereafter		10,733
		37,133
Loan agreement		9,951
Total	$	47,084

The loan agreement is the revolving facility for the PNE with a Canadian chartered bank providing for maximum borrowing of $16.4 million in operating credit and $5 million for instalment loan for capital purchases. The facilities bear interest at the bank prime rate and are due on demand.

Outstanding mortgages include:

- $30.4 million (2013 - $33.9 million) on the Library Square Project due on January 14, 2021. Interest at 9.875% per annum is compounded semi-annually with monthly repayments of principal and interest. The mortgage is secured by a first charge on the land and any proceeds from the sale of the land on which the office building is situated, the office building and any improvements to it including machinery, plant and equipment, and any proceeds on the lease of the office building. The interest paid in 2014 on the Library Square mortgage amounted to $3.1 million (2013 - $3.5 million).
- $6.7 million (2013 - $7.2 million) in mortgages payable to Canada Mortgage and Housing Corporation for 3 non-market housing projects. Interest rates range from 2.1% to 8.0% with maturity dates from February 1, 2020 to December 1, 2027. The interest paid in 2014 amounted to $0.3 million (2013 - $0.3 million).

(g) Loan Guarantees

The City has entered into 60 year pre-paid leases and operating agreements to operate 2 affordable rental housing complexes in Southeast False Creek. Under the agreement the City has guaranteed the operators' loan obligations with respect to their mortgages to finance the pre-paid rent. The outstanding balances of the mortgages are:

First Avenue Athletes Village Housing Co-operative	$20,134
S.U.C.C.E.S.S. Affordable Housing Society	$22,482

(h) Property Acquisition

The City has entered into an agreement to purchase a property for $38.0 million should the owner not be able to proceed with their intended development of the property. The agreement expires May 9, 2017.

10. CONTINGENCIES AND COMMITMENTS – Continued

(i) Southeast False Creek and Olympic Village Development

In 2006, the City entered into a ground lease, development and sales agreement with SEFC Properties Ltd. (SEFC Ltd.). Under the agreement, SEFC Ltd acquired rights to a portion of the City's properties in Southeast False Creek Area 2A where it constructed market condominiums, rental housing and commercial space buildings (the Market Project). SEFC Ltd. constructed at the City's cost, non-market housing buildings and a civic centre to be retained by the City. This project was used by the City and the Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games as the Vancouver Athletes' Village.

In 2009, the City purchased and restructured the loan for the construction financing from the lenders of SEFC Ltd. In 2010, SEFC Ltd defaulted under the loan agreement and a receiver was appointed who provided court approved management for the Market Project.

In 2011, a settlement agreement was entered into with the guarantors of the loan agreement and 32 properties owned or controlled by these guarantors were transferred to the City. The City has retained one property for affordable housing and all but one of the remaining 31 properties has been sold to third parties, resulting in a remaining balance of $5.3 million at December 31, 2014.

The Receiver managed the Market Project and sold the condominium units, the commercial and rental properties with surplus net proceeds from the sales being paid to the City in accordance with court approval.

In April 2014, the City's remaining interest in the Market Project, including the City's rights as secured creditor under the loan agreement, were sold. Net proceeds from this and prior sales were used to repay the $150.0 million debenture in June 2014 (Note 6(a)).

11. DEFERRED REVENUE

Deferred revenue is comprised of the following:

	2013 (Recast - Note 2)	Contributions and Interest	Recognized as Revenue	2014
Development cost levies				
City-wide	$ 143,010	$ 48,245	$ (20,354)	$ 170,901
Area-specific	68,959	13,711	(5,710)	76,960
	211,969	61,956	(26,064)	247,861
Prepaid Leases	175,459	565	(4,748)	171,276
Capital contributions	1,255	134	-	1,389
Other	2,570	8,436	(8,613)	2,393
	$ 391,253	$ 71,091	$ (39,425)	$ 422,919

Development cost levies (DCL) are collected from developers to fund growth related capital projects including parks, childcare facilities, replacement housing and engineering infrastructure. DCL's must be spent on projects within defined area boundaries and are recognized as revenue as Council approved expenditures are incurred.

Prepaid leases are recognized as revenue over the term of the lease while contributions of capital and other are recognized as the expenditures are incurred.

12. TRUST FUNDS

Certain assets have been conveyed or assigned to the City to be administered as directed by agreement or statute. The City holds the assets for the benefit of, and stands in fiduciary relationship to, the beneficiary. The following trust funds and assets are excluded from the City's financial statements:

	2014	2013
Vancouver Agreement	$ 5,535	$ 5,922
Cemetery Perpetual Care	4,549	4,079
General	540	627
	$ 10,624	$ 10,628

The Vancouver Agreement is an urban development agreement between the Federal and Provincial Governments and the City to facilitate sustainable economic, social and community development in the City.

13. BUDGET

The Budget information presented in these consolidated financial statements is based upon the 2014 operating, capital and property endowment budgets as approved by Council. The City does not prepare a budget for its SEFC Development activity. Adjustments to the budgeted amounts are required to comply with Canadian public sector accounting standards for inclusion in the Consolidated Statement of Operations and Consolidated Statement of Change in Net Financial Liabilities.

Revenue	
Budgeted Revenues	
Operating Budget - as approved by Council	$ 1,177,488
Capital Budget - as approved by Council	285,136
Property Endowment Operating Budget - as approved by Council	78,194
Other City of Vancouver funds	5,066
Vancouver Public Housing Corporation	2,993
Pacific National Exhibition	45,984
Other City of Vancouver Reporting Entities	3,255
	1,598,116
PSAB Revenue Adjustments	
Operating Budget PSAB revenue adjustments (1)	1,938
Capital Budget PSAB revenue adjustments (2)	(197,362)
Interfund revenue eliminated	(9,072)
	(204,496)
Budgeted Revenue as presented in financial statements	$ 1,393,620
Expenses	
Budgeted Expenditures	
Operating Budget - as approved by Council	$ 1,177,488
Capital Budget - as approved by Council	285,136
Property Endowment Operating Budget - as approved by Council	23,553
Other City of Vancouver funds	82
Vancouver Public Housing Corporation	2,461
Pacific National Exhibition	44,208
Other City of Vancouver Reporting Entities	3,687
	1,536,615
PSAB Revenue Adjustments	
Operating Budget PSAB expense adjustments (3)	(141,217)
Capital Budget PSAB expense adjustments (4)	(243,945)
Amortization of tangible capital assets	173,712
Interfund expense eliminated	(9,071)
	(220,521)
Budgeted Expenses as presented in financial statements	$ 1,316,094

Note:

(1) Adjust for transfers and Business Improvement Area taxes
(2) Deduct debt and reserve transfer funding
(3) Deduct debt principal payments and transfers
(4) Deduct tangible capital asset expenditures

14. SEGMENTED INFORMATION

City services are provided by departments and their activities are reported in the City's Funds as described in Note 1(b). Segmented financial information for certain departments is provided in Schedule 1. The accounting policies used in these segments are consistent with those followed in the preparation of the consolidated financial statements as disclosed in Note 1.

Revenues not directly attributable to a specific segment are shown in General Government.

Amounts shown for wages, contract services, supplies and debt charges are the gross amounts incurred by departments for all segmented activity. Alloca'ed costs include services performed by departments for other segments or for work related to capital construction activity.

The segments include:

- **General Government** which provides internal support services to Council and other departments who provide direct services to its citizens. These internal departments include the City Manager's Office, City Clerk, Financial Services, Real Estate and Facilities Management, Legal and Human Resources.
- **Police Protection** which provides operational and investigation services to maintain public order, uphold the rule of law and prevent crime.
- **Fire Protection** which provides emergency and prevention services related to firefighting and medical services.
- **Engineering** which provides planning, design, construction and maintenance of the City's streets, street lighting, traffic control, parking enforcement, transportation planning and utility and communication corridors.
- **Utilities** which are managed by the Engineering department and provide planning, design, construction and maintenance related to the water distribution, sewerage collection, drainage, neighbourhood energy utilities and refuse removal services.
- **Planning and Development** which creates plans, programs and policies required for city-wide and community planning, zoning and subdivision, building by-law administration and inspection, various licensing and animal control services.
- **Parks and Recreation** which provides recreation services through its parks, community centres, swimming pools and ice rinks.
- **Community and Cultural Services** which includes the civic theatres and the Britannia Community Centre and other programs to create sustainable, creative and inclusive communities for living and working.
- **Library** which provides access to reading and information needs, and a free place for everyone to discover, create, and share ideas

SCHEDULE I – SEGMENTED INFORMATION
Year Ended December 31, 2014

	Revenue & Capital Fund												
	General Government	Police Protection	Fire Protection	Engineering	Utilities	Planning & Development	Parks & Recreation	Community & Cultural Services	Library	Other Funds & Entities	Eliminations	2014 Consolidated	2013 Consolidated
													(Recast - Note 2)
Revenue													
Property taxes, penalties and interest	$ 671,543	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 671,543	$ 655,977
Utility fees	11	-	-	381	221,111	-	101	1	-	-	-	221,605	217,434
Program fees	496	1,986	429	253	292	-	42,606	12,402	1,651	46,282	(2,041)	104,356	100,225
License and development fees	64,769	-	-	427	-	-	-	-	-	-	(106)	65,090	59,899
Parking	47,268	258	-	1,173	-	-	6,015	376	-	22,466	(34)	77,522	72,578
Cost recoveries, grants and donations	5,916	20,097	7,678	41,321	25,862	846	5,114	14,578	2,314	4,453	(4,030)	124,149	109,054
Revenue sharing	17,924	-	-	-	-	-	-	-	-	-	-	17,924	17,831
Investment income	19,782	-	-	-	-	-	6	-	-	8,984	(880)	27,892	23,199
Rental, lease and other	30,608	103	292	7,843	1,274	2	293	5,013	880	27,701	(3,491)	70,518	76,140
Bylaw fines	14,992	(5)	-	2	-	-	(145)	36	-	-	952	15,832	16,389
Developer contributions	67,225	-	220	33,958	715	-	10,927	24,246	-	81	-	137,372	95,350
Gain (loss) on disposal of tangible capital assets	(2,791)	-	-	345	(5,033)	-	-	(8,055)	(1,782)	29,007	-	11,691	(8,143)
Gain on sale of SEFC assets	-	-	-	-	-	-	-	-	-	16,610	-	16,610	49,168
	937,743	22,439	8,619	85,703	244,221	848	64,917	48,597	3,063	155,584	(9,630)	1,562,104	1,485,101
Operating Expenses													
Wages, salaries and benefits	98,226	222,047	97,850	81,262	41,878	19,177	74,987	40,260	35,275	24,242	-	735,204	703,032
Contract services	31,963	3,685	560	11,315	11,651	377	7,887	1,889	1,256	9,063	(2,076)	77,570	89,920
Supplies, material and equipment	10,222	27,467	6,088	(12,288)	149,373	6,028	25,796	51,697	6,562	56,407	(6,070)	321,283	299,326
Debt charges	3,245	2,342	249	8,033	13,481	-	6,190	2,708	308	3,187	(876)	38,867	39,766
	143,656	255,541	104,747	88,322	216,383	25,582	114,860	96,554	43,401	92,899	(9,022)	1,172,924	1,132,044
Amortization	14,827	8,185	3,467	76,058	28,507	-	20,185	5,541	5,464	12,032	-	174,266	171,172
	158,483	263,726	108,214	164,380	244,890	25,582	135,045	102,095	48,865	104,931	(9,022)	1,347,190	1,303,216
Annual Surplus	$ 779,260	$ (241,287)	$ (99,595)	$ (78,677)	$ (669)	$ (24,734)	$ (70,128)	$ (53,498)	$ (45,802)	$ 50,653	$ (608)	$ 214,914	$ 181,885

SUPPLEMENTARY

FINANCIAL

INFORMATION

UNAUDITED

CITY OF VANCOUVER
Revenue Fund
Schedule of Financial Activities
Years ended December 31
($000s)

	2014 Budget	2014	2013 (Recast - Note 2)
REVENUE			
Property taxes, penalties and interest	$ 663,916	$ 671,543	$ 655,977
Utility fees	222,244	221,605	217,434
Programs fees	56,050	60,115	57,580
License and development fees	51,099	65,196	59,899
Parking	49,916	55,090	52,098
Cost recoveries, grants and donations	43,070	59,947	46,274
Revenue sharing	21,652	17,924	17,831
Investment income	16,525	19,162	17,512
Rental, lease and other	37,269	41,677	40,828
Bylaw fines	17,685	14,880	15,557
	1,179,426	1,227,139	1,180,990
EXPENDITURES			
Utilities	205,437	207,317	192,348
General government	146,888	131,550	119,211
Police protection	249,349	255,509	248,626
Fire protection	100,480	104,573	99,100
Engineering	77,180	81,682	80,484
Planning and development	18,941	20,633	19,672
Parks and recreation	108,969	108,356	107,770
Community and cultural services	82,347	88,904	84,384
Library	46,680	43,181	42,243
	1,036,271	1,041,705	993,838
ANNUAL SURPLUS	143,155	185,434	187,152
DEBT, TRANSFERS AND OTHER			
Debt principal repayments	(28,569)	(26,973)	(26,108)
Transfers			
Net transfers to other funds	(100,359)	(145,691)	(127,642)
Net transfers to reserves	(14,227)	(14,438)	(26,805)
Change in obligations to be funded from Future revenue	-	3,319	(2,543)
	(143,155)	(183,783)	(183,098)
CHANGE IN FUND BALANCE	-	1,651	4,054
FUND BALANCE			
Beginning of year	22,653	22,653	18,599
End of year	$ 22,653	$ 24,304	$ 22,653

REVENUE FUND – OTHER FEES, RATES AND RECOVERIES ($000s)
Years Ended December 31

	2014 Budget	2014 Actual	2013 Actual (Recast - Note 2)
Program fees			
Parks & recreation	$ 40,531	$ 42,606	$ 41,736
Community & cultural services	11,666	12,402	10,780
Library	1,816	1,651	1,724
Police	1,354	1,986	1,782
Fire	437	429	354
Other	246	1,041	1,204
	$ 56,050	$ 60,115	$ 57,580
License and development fees			
Licenses			
Business	$ 15,398	$ 15,965	$ 15,283
Inspection fees	8,344	10,859	10,897
Dog	933	936	924
Other	9,188	11,944	12,292
Trade permits	8,784	14,678	11,142
Development permits	8,452	10,814	9,361
	$ 51,099	$ 65,196	$ 59,899
Parking			
On street parking	$ 42,000	$ 46,192	$ 44,130
Parks	5,692	6,015	5,388
Civic Theatre	360	371	328
Other	1,864	2,512	2,252
	$ 49,916	$ 55,090	$ 52,098
Cost recoveries, grants & donations			
Police	$ 12,135	$ 20,095	$ 17,001
Fire	6,911	7,693	7,554
General Government	2,519	2,137	2,146
Parks & recreation	3,891	4,622	4,280
Community & cultural services	3,800	4,660	4,937
Engineering services	6,363	12,357	7,460
Library	1,919	2,329	2,022
Planning and Development	163	846	744
Utilities	5,369	5,208	130
	$ 43,070	$ 59,947	$ 46,274
Rental, lease and other			
Property rentals & leases	25,653	26,651	26,534
Street use	1,318	2,456	2,326
False Alarm Reduction Program	1,144	1,183	1,095
Other	9,154	11,387	10,873
	$ 37,269	$ 41,677	$ 40,828

CITY OF VANCOUVER
Property Endowment Fund
Statement of Operations
Years ended December 31
($000s)

	2014	2013 (Recast - Note 2)
OPERATIONS		
Rental and leases		
Revenue	$ 24,932	$ 25,299
Expenses	12,338	14,966
	12,594	10,333
Parking		
Revenue	20,787	18,641
Expenses	18,442	16,983
	2,345	1,658
Water Moorage		
Revenue	1,289	1,221
Expenses	800	678
	489	543
NET REVENUES FROM OPERATIONS	15,428	12,534
Interest and other income	98	843
Investment Income	971	712
Gain/(loss) on disposal of tangible capital assets	29,007	(210)
	45,504	13,879
Administration expenses	5,577	5,104
NET REVENUES	$ 39,927	$ 8,775

CITY OF VANCOUVER
Utilities
Schedule of Financial Activities
Years ended December 31
($000s)

	WATER UTILITY	SEWER UTILITY	SOLID WASTE UTILITY	NEU**	2014 TOTAL	2013 TOTAL
						(Recast - Note 2)
REVENUE						
Utility Fees*	$ 104,938	$ 56,555	$ 56,615	$ 3,004	$ 221,112	$ 217,111
Fees and service charges	167	314	5,913	2	6,396	1,617
Contribution from Property Taxes	-	33,695	-	-	33,695	32,197
	105,105	90,564	62,528	3,006	261,203	250,925
EXPENSES						
Purchase of water	70,973	-	-	-	70,973	66,412
Debt charges	4,641	7,984	-	717	13,342	11,944
Operations	11,278	9,298	-	1,729	22,305	21,452
Contribution to Joint Sewerage Board	-	51,914	-	-	51,914	49,608
Garbage collection and disposal	-	-	7,683	-	7,683	14,385
Recycling	-	-	10,373	-	10,373	9,297
Composting	-	-	10,989	-	10,989	8,479
Commercial	-	-	20,256	-	20,256	17,243
Post closure costs adjustment	-	-	(518)	-	(518)	(6,472)
	86,892	69,196	48,783	2,446	207,317	192,348
ANNUAL SURPLUS	18,213	21,368	13,745	560	53,886	58,577
DEBT & TRANSFERS						
Debt principal repayments	(5,835)	(7,293)	-	(223)	(13,351)	(12,807)
Transfer to Sinking Fund	(9,154)	(15,908)	-	(1,543)	(26,605)	(21,592)
Transfer (to) from other funds	(7,500)	-	(9,124)	1,232	(15,392)	(10,329)
Transfer (to) from reserves	4,276	1,833	(4,621)	(26)	1,462	(13,849)
	(18,213)	(21,368)	(13,745)	(560)	(53,886)	(58,577)
ANNUAL SURPLUS AFTER DEBT AND TRANSFERS	$ -	$ -	$ -	$ -	$ -	$ -

* These amounts are included in Revenue Fund Schedule of Financial Activities which also includes $493K (2013 - $323K) of utilities recoveries from other departments.

** Southeast False Creek Neighborhood Energy Utility

FIVE YEAR STATISTICAL REVIEW – TAXATION
Years Ended December 31

	2014	2013	2012	2011	2010
Property Assessment ($000s)					
Rateable property general purposes	$254,102,538	$248,337,102	$241,777,267	$211,419,049	$187,431,088
Tax Rates – Rate per $1,000 of Assessment					
Residential - Class 1					
Municipal purposes	1.84728	1.89502	2.02002	2.12815	2.14861
Education	1.37943	1.43366	1.53487	1.54202	1.55095
Other taxing authorities	0.45123	0.46479	0.49588	0.50981	0.51421
Total Residential	3.67794	3.79347	4.05077	4.17998	4.21377
Business/Other - Class 6					
Municipal purposes	7.88427	8.20424	8.78096	9.19882	9.78076
Education	6.20492	6.40458	6.75274	6.86945	6.80610
Other taxing authorities	1.82263	1.87660	1.98450	2.04321	2.04949
Total Business/Other	15.91182	16.48542	17.51820	18.11148	18.63635
Major Industrial - Class 4					
Municipal purposes	33.77460	32.98091	31.98356	31.46583	30.64936
Education	6.00000	6.20000	6.40000	6.60000	6.80000
Other taxing authorities	2.81984	2.98567	2.97948	3.01831	3.03126
Total Major Industrial	42.59444	42.16658	41.36304	41.08414	40.48062
Light Industrial - Class 5					
Municipal purposes	7.88427	8.20424	8.78096	9.19882	9.78076
Education	6.70388	11.20629	6.57739	6.95857	6.78545
Other taxing authorities	2.29172	2.28098	2.37194	2.50688	2.42127
Total Light Industrial	16.87987	21.69151	17.73029	18.66427	18.98748
Total Utilities - Class 2	52.26809	53.81857	55.97006	55.64063	57.73727
Total Supportive Housing - Class 3	1.68065	1.65585	1.64981	1.68471	1.65089
Total Recreational/Non-Profit - Class 8	5.68183	5.64914	5.63732	5.83157	6.10040
Total Farm – All Purposes - Class 9	9.23133	9.20054	9.17932	9.27997	9.44100

PROPERTY TAX INFORMATION ($000s)
Years Ended December 31

	2014	2013	2012	2011	2010
Property Tax Revenue by Property Class (%)					
Residential - Class 1	53.6	53.3	53.3	52.3	51.7
Business - Class 6	43.1	43.3	43.4	44.5	45.0
Major industrial - Class 4	0.6	0.7	0.7	0.7	0.7
Light industrial - Class 5	1.1	1.2	1.0	0.9	0.9
Other (Utilities, Rec/Non-Profit and Farm)	1.6	1.5	1.6	1.6	1.7
Total	100.0	100.0	100.0	100.0	100.0
Property Taxation - Levy and Collections					
Total tax levy (all purposes) ($000s)	1,372,975	1,339,511	1,302,764	1,237,268	1,183,828
Total tax arrears outstanding ($000s)	23,878	23,854	23,013	24,018	25,185
% of current collections to current levy	98.98	98.97	98.96	98.88	98.75
% of total collections to current levy	100.16	100.09	100.20	100.22	100.20

	2014	2013
Property Taxes Receivable		
Balance, beginning of year	$ 23,854	$ 23,013
Add: Interest and adjustments	612	557
	24,466	23,570
Less: Receipts	(16,333)	(15,030)
Outstanding - prior years	8,133	8,540
Current tax levy including utility and other charges	1,372,975	1,339,512
Less : Receipts	(1,358,865)	(1,325,656)
Current arrears	14,110	13,856
Add: Penalties on current arrears	1,635	1,458
Outstanding - current year	15,745	15,314
Balance, end of year	$ 23,878	$ 23,854
Analysis of Property Taxes Receivable by Year		
Current year	$ 15,745	$ 15,314
Prior year	5,473	5,784
Prior 2 year	2,660	2,756
Balance, end of year	$ 23,878	$ 23,854

FIVE YEAR STATISTICAL REVIEW – DEBT
Years Ended December 31

	2014	2013	2012	2011	2010
Population *	640,469	635,660	629,128	619,366	618,360
Internally restricted reserves	$ 760,754	$ 680,058	$ 637,367	$ 509,175	$ 471,374
Long Term Debt ($000s)					
Debenture debt outstanding	$ 874,986	$ 796,868	$ 712,927	$ 630,343	$ 605,863
Less: Internally held debt	(6,629)	(7,783)	(9,156)	(10,197)	(11,001)
Externally held debt	868,357	789,085	703,771	620,146	594,862
Sinking Fund reserves	246,301	177,956	121,459	76,731	117,935
Net externally held debt	$ 622,056	$ 611,129	$ 582,312	$ 543,415	$ 476,927
Gross Debt per capita (externally held)	$ 1,356	$ 1,241	$ 1,119	$ 1,001	$ 962
Net Debt per capita (externally held)	$ 971	$ 961	$ 926	$ 877	$ 771
Southeast False Creek Financing ($000s)					
Debenture, Commercial Paper, Mortgages	$ -	$ 150,000	$ 311,875	$ 460,381	$ 515,000

*Source: Population Section, B.C. Stats
Ministry of Labour Citizens' Services, Government of British Columbia
B.C. Stats has restated the 2010 to 2013 figures

CHANGES IN DEBENTURE DEBT OUTSTANDING ($000s)
Year Ended December 31, 2014

	Externally Held	Internally Held	Total
Balance, beginning of year	$ 789,085	$ 7,783	$ 796,868
Add: Debentures issued	105,000	-	105,000
Local improvements	-	91	91
	894,085	7,874	901,959
Less: Maturities			
General and water	25,728	-	25,728
Local improvements	-	1,245	1,245
	25,728	1,245	26,973
Balance, end of year	$ 868,357	$ 6,629	$ 874,986

OUTSTANDING BORROWING AUTHORITY

	Capital Plan Borrowing Authority*	Council-approved Debenture Funding**	Debentures Issued to 31-Dec-14	Unused Borrowing Authorities
General				
2009 - 2011	$ 222,000	$ 194,478	$ 194,478	$ -
2012 - 2014	179,800	166,392	109,424	56,968
2015 - 2018	235,000	-	-	-
	636,800	360,870	303,902	56,968
Sewer, Water and NEU				
2009 - 2011	160,572	145,106	145,106	-
2012 - 2014	142,875	121,360	70,990	50,370
2015 - 2018	147,000	-	-	-
	450,447	266,466	216,096	50,370
Total General, Sewer, Water and NEU				
2009 - 2011	382,572	339,584	339,584	-
2012 - 2014	322,675	287,752	180,414	107,338
2015 - 2018	382,000	-	-	-
	$ 1,087,247	$ 627,336	$ 519,998	$ 107,338

*Borrowing authorities are established as part of the Capital Plan. General borrowing authorities for each Capital Plan are approved by the electors. Sewer, Water and NEU borrowing authorities are approved by Council.
**Debenture funding is approved by Council as part of Annual Budget.

SCHEDULE OF GENERAL DEBT ($000s)
Year Ended December 31, 2014

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
9115	October 06, 2015	4.10%	10		
	Bridges / Tunnels			$ 320	$ -
	Community Centre Facilities			711	-
	Infrastructure			822	-
	Libraries			582	-
	Local Area Improvement			798	-
	Miscellaneous			30	-
	Multi-Purpose Centres			280	-
	Neighbourhood Houses			277	-
	Parks			1,789	-
	Pedestrian / Cycling Facilities			755	-
	Public Safety / Police			71	-
	Sewers			3,643	-
	Sports Facilities			130	-
	Street Lighting / Communications			460	-
	Train Stations			593	-
	Transit / Safety Improvements			459	-
	Waterworks			2,336	-
	Yards			170	-
				14,226	-
9532	December 01, 2017	4.70%	10		
	Civic Facilities			2,166	1,408
	Community Legacy Projects			15,000	9,750
	Fire Protection			600	390
	Libraries			2,000	1,300
	Local Area Improvement			4,548	2,956
	Overhead & Debenture Costs			1,500	975
	Parks			7,175	4,664
	Pedestrian / Cycling Facilities			12,349	8,027
	Police			12,304	7,997
	Sewers			25,000	16,248
	Street / Bridge Infrastructure			17,557	11,412
	Transit / Safety Improvements			4,801	3,121
	Waterworks			20,000	13,000
				125,000	81,248
9897	December 02, 2019	4.90%	10		
	Civic Facilities			10,600	4,675
	Community Legacy Projects			19,500	8,601
	Fire Protection			4,000	1,764
	Libraries			500	221
	Local Area Improvement			4,700	2,073
	Parks			3,000	1,323
	Pedestrian/Cycling Facilities			7,800	3,440
	Police			16,000	7,057
	Sewers			27,800	12,261
	Street/Bridge Infrastructure			13,000	5,734
	Street Lighting			1,700	750
	Transit & Safety Improvements			4,500	1,985
	Waterworks			11,900	5,249
				125,000	55,133
		Carried Forward		$ 264,226	$ 136,381

SCHEDULE OF GENERAL DEBT ($000s)
Year Ended December 31, 2014

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
	Carried Forward			$ 264,226	$ 136,381
10015	June 1, 2020	4.50%	10		
	Civic Facilities			16,000	5,505
	Community Legacy Projects			1,125	387
	Fire Protection			552	190
	Local Area Improvement			1,267	436
	Parks			25,000	8,602
	Pedestrian / Cycling Facilities			4,351	1,497
	Police			2,448	842
	Sewers			25,000	8,603
	Street / Bridge Infrastructure			18,657	6,420
	Street Lighting			300	103
	Street Lighting / Communications			3,700	1,273
	Transit / Safety Improvements			5,000	1,720
	Waterworks			21,600	7,432
				125,000	43,010
10017	September 30, 2030	1.71%	20		
	Neighbourhood Energy Utility			4,131	-
				4,131	-
10393	December 02, 2021	3.45%	10		
	Civic Facilities			18,000	4,529
	Libraries			2,000	503
	Neighbourhood Energy Utility			15,000	3,775
	Parks			25,000	6,291
	Police			11,000	2,768
	Sewers			32,000	8,052
	Street / Bridge Infrastructure			5,000	1,258
	Street Lighting / Communications			6,000	1,510
	Transit / Safety Improvements			4,000	1,007
	Waterworks			22,000	5,536
				140,000	35,229
10565	October 18, 2052	3.70%	40		
	Civic Facilities			9,814	168
	Libraries			2,150	37
	Neighbourhood Energy Utility			2,400	41
	Parks			18,365	315
	Police			10,723	184
	Sewers			38,200	655
	Street / Bridge Infrastructure			13,761	236
	Street Lighting / Communications			4,120	71
	Transit / Safety Improvements			3,467	59
	Waterworks			17,000	291
				120,000	2,057
		Carried Forward		$ 653,357	$ 216,677

SCHEDULE OF GENERAL DEBT ($000s)
Year Ended December 31, 2014

Bylaw	Maturity Date & Purpose	Rate %	Term (Years)	Debenture Outstanding	Sinking Fund Reserve Balance
		Carried Forward		$ 653,357	$ 216,677
10797	October 24, 2023	3.75%	10		
	Civic Facilities			7,000	562
	Neighbourhood Energy Utility			1,000	80
	Parks			25,500	2,046
	Police			1,500	120
	Sewers & Drains			38,000	3,050
	Street / Bridge Infrastructure			16,000	1,284
	Street Lighting / Communications			5,000	401
	Transit / Safety Improvements			3,000	241
	Waterworks			13,000	1,043
				110,000	8,827
11080	October 16, 2024	3.05%	10		
	Civic Facilities			12,677	-
	Neighbourhood Energy Utility			353	-
	Parks			16,470	-
	Police & Fire			5,000	-
	Sewers & Drains			38,000	-
	Street / Bridge Infrastructure			16,000	-
	Street Lighting / Communications			5,000	-
	Transit / Safety Improvements			3,500	-
	Waterworks			8,000	-
				105,000	-
		Total		**$ 868,357**	**$ 225,504**

LOCAL IMPROVEMENT - Property Owners' Share

Bylaw			Purpose	Rate (%)	Term (Yr)	Debt Balance
8204	June 21, 2015		Lane paving, speed ramps, sidewalks, pavements & curbs	7.00	15	161
8207	June 21, 2015		Beautification	7.00	15	12
8209	June 21, 2015		Beautification	7.00	15	3
8501	June 26, 2015	- 2017	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	543
8504	June 26, 2015	- 2017	Beautification	6.00	15	62
8506	June 26, 2015	- 2017	Underground Wiring	6.00	15	57
8693	June 25, 2015	- 2018	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	740
8871	June 23, 2015	- 2019	Lane paving, speed ramps, sidewalks, pavements & curbs	5.75	15	590
9063	June 29, 2015	- 2020	Lane paving, speed ramps, sidewalks, pavements & curbs	5.75	15	759
9301	June 14, 2015	- 2021	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	298
9303	June 14, 2015	- 2021	Beautification	6.00	15	27
9514	June 27, 2015	- 2022	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	524
9672	June 25, 2015	- 2022	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	335
9885	June 17, 2015	- 2023	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	405
9887	June 17, 2015	- 2018	Street Lighting	6.00	10	2
10072	June 23, 2015	- 2024	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	800
10300	June 29, 2015	- 2025	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	727
10301	June 29, 2015		Lane Lighting	6.00	5	1
10495	June 27, 2015	- 2021	Street Lighting	6.00	10	8
10496	June 27, 2015	- 2026	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	439
10497	June 27, 2015	- 2016	Traffic Circle	6.00	5	13
10736	June 26, 2015	- 2027	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	42
10981	June 25, 2015	- 2018	Lane Lighting	6.00	5	2
10982	June 25, 2015	- 2028	Lane paving, speed ramps, sidewalks, pavements & curbs	6.00	15	79
						$ 6,629

Held Internally

DEBT INTEREST RATES ($000s)
Year Ended December 31, 2014

Interest Rate	General (including Waterworks)	Local Improvement	Total
7.00	$ -	$ 176	$ 176
6.00	-	5,104	5,104
5.75	-	1,349	1,349
4.90	125,000	-	125,000
4.70	125,000	-	125,000
4.50	125,000	-	125,000
4.10	14,226	-	14,226
3.75	110,000	-	110,000
3.70	120,000	-	120,000
3.45	140,000	-	140,000
3.05	105,000		105,000
1.71	4,131	-	4,131
	$ 868,357	$ 6,629	$ 874,986

FUTURE PRINCIPAL AND INTEREST PAYMENTS ON DEBT ($000s)
Year Ended December 31, 2014

Total Debt (Internal and External)

	General			Waterworks			Local Improvements Property Owners' Share			Total General & Waterworks and Local Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	$ 12,116	$ 30,165	$ 42,281	$ 2,336	$ 4,710	$ 7,046	$ 1,079	$ 396	$ 1,475	$ 15,531	$ 35,271	$ 50,802
2016	230	29,674	29,904	-	4,615	4,615	956	330	1,286	1,186	34,619	35,805
2017	105,234	29,670	134,904	20,000	4,615	24,615	1,005	273	1,278	126,239	34,558	160,797
2018	238	24,731	24,969	-	3,675	3,675	817	214	1,031	1,055	28,620	29,675
2019	113,343	24,727	138,070	11,900	3,675	15,575	651	165	816	125,894	28,567	154,461
2020 - 2024	416,677	59,071	475,748	64,600	8,319	72,919	1,896	362	2,258	483,173	67,752	550,925
Thereafter	104,683	106,801	211,484	17,000	17,611	34,611	225	21	246	121,908	124,433	246,341
	$ 752,521	$ 304,839	$ 1,057,360	$ 115,836	$ 47,220	$ 163,056	$ 6,629	$ 1,761	$ 8,390	$ 874,986	$ 353,820	$ 1,228,806

External Debt Only

	General			Waterworks			Total General & Waterworks and Local Improvements		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2015	$ 12,116	$ 30,165	$ 42,281	$ 2,336	$ 4,710	$ 7,046	$ 14,452	$ 34,875	$ 49,327
2016	230	29,674	29,904	-	4,615	4,615	230	34,289	34,519
2017	105,234	29,670	134,904	20,000	4,615	24,615	125,234	34,285	159,519
2018	238	24,731	24,969	-	3,675	3,675	238	28,406	28,644
2019	113,343	24,727	138,070	11,900	3,675	15,575	125,243	28,402	153,645
2020 - 2024	416,677	59,071	475,748	64,600	8,319	72,919	481,277	67,390	548,667
Thereafter	104,683	106,801	211,484	17,000	17,611	34,611	121,683	124,412	246,095
	$ 752,521	$ 304,839	$ 1,057,360	$ 115,836	$ 47,220	$ 163,056	$ 868,357	$ 352,059	$ 1,220,416

FIVE YEAR STATISTICAL REVIEW - CONSOLIDATED STATEMENT OF OPERATIONS
Years Ended December 31

	2014	2013 (Recast - Note 2)	2012 (Recast - Note 2)	2011 (Recast - Note 2)	2010 (Recast - Note 2)
Revenue					
Property taxes, penalties and interest	$ 671,543	$ 655,977	$ 641,434	$ 620,319	$ 605,884
Utility fees	221,605	217,434	209,921	195,581	182,337
Program fees	104,356	100,225	96,165	101,110	102,662
License and development fees	65,090	59,899	58,188	54,000	48,962
Parking	77,522	72,578	68,840	68,171	65,652
Cost recoveries, grants and donations	124,149	109,054	83,955	145,340	133,918
Revenue sharing	17,924	17,831	26,784	25,916	12,688
Investment income	27,892	23,199	21,884	16,672	40,594
Rental, lease and other	70,518	76,140	83,409	74,692	65,950
Bylaw fines	15,832	16,389	17,956	18,697	16,929
Developer contributions	137,372	95,350	110,881	71,588	105,727
Gain (loss) on sale of assets	11,691	(8,143)	9,865	(1,046)	35,452
Gain on sale of SEFC Investments	16,610	49,168	20,832	19,373	-
	1,562,104	1,485,101	1,450,114	1,410,413	1,416,755
Expenditures					
Utilities	244,853	241,232	230,036	229,342	221,773
General Government	173,732	158,276	157,069	154,463	162,483
Police Protection	263,537	254,130	245,869	237,722	232,802
Fire Protection	108,089	102,833	98,404	97,272	94,668
Engineering	183,258	175,427	174,278	173,199	170,937
Planning and development	25,583	19,672	18,480	18,090	17,011
Recreation and parks	180,246	178,373	177,241	174,762	171,764
Community and cultural services	105,318	98,110	95,693	98,615	94,114
Library	48,865	47,884	51,167	51,573	49,700
Southeast False Creek Development	13,709	27,279	42,655	52,446	62,009
	1,347,190	1,303,216	1,290,892	1,287,484	1,277,261
Annual Surplus	$ 214,914	$ 181,885	$ 159,222	$ 122,929	$ 139,494